

 <p>air pollution control district SANTA BARBARA COUNTY</p>	Case No / Date	2024-03-E	03/04/2024
	Petitioner	Pacific Coast Energy Company LP/Pacific Coast Energy Acquisitions, LLC	
	Permit #	8096-R12	
	Date Rec'd	02/28/2024	
	Time Rec'd	1827 hours	
	FOR OFFICIAL USE ONLY		

**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In the Matter of the Application of)
Pacific Coast Energy Company LP/)
Pacific Coast Energy Acquisitions,)
LLC. for an Emergency Variance from)
District Rules 325.E.1, and 206,)
Permit to Operate 8096-R12,)
Conditions 1, 11, and 14.)

H.B. Case No. 2024-03-E

VARIANCE FINDINGS

AND ORDER

Pacific Coast Energy Company LP/ Pacific Coast Energy Acquisitions, LLC (Petitioner) filed a Petition for an Emergency Variance on February 28, 2024. A hearing of the Emergency Variance Petition was held on March 4, 2024. Justin Martin represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District (District) and Terence Dressler represented the Hearing Board for this Emergency Variance Hearing.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

HEARING

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received, and considered.
3. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance.
4. Pursuant to Health and Safety Code cession 42359.5, “good cause” exists for the granting of the Petitioner’s request for an Emergency Variance.

5. If, due to reasons beyond the control of the Petitioner, compliance is not achieved during this Variance period, additional relief will be sought.
6. District staff supports the Petition as conditioned below.

BACKGROUND AND FINDINGS

1. The Petitioner operates the equipment described in the Petition at the Morganti Lease located in the Casmalia Oil Field approximately 2 miles north of the town of Casmalia in Santa Barbara County, California.
2. Oil, water and gas are produced from twenty-four wells at the Petitioner's facility. Diluent is injected into the formation to enhance productivity at this facility. Production from the Arellanes Lease, Muscio Lease, N.R. Bonetti Lease and Righetti Lease are piped into the central processing facility located at the Petitioner's facility.
3. On February 28, 2024, during a District inspection, a leak at Production Well Morganti #04 (APCD Device ID 002864) was found to be leaking at >50,000 ppm methane. The Petitioner attempted to repair the leak, but found the leak is downhole and requires specialty equipment to isolate and repair.
4. The Petitioner filed a request for Variance coverage the same day the leak was discovered.
5. On February 29, 2024, the Petitioner brought equipment onsite to assess the extent of the repair and to make a temporary repair to reduce excess emissions. The Petitioner anticipates a rig can be brought onsite within the next two weeks to confirm the leak, perform necessary repairs, and verify completion of the repair.
6. The Petitioner has shutdown the wells and all operations.
7. Without Variance coverage, the Petitioner will be in violation of District Rules 325.E.1 and 206, and Permit to Operate 8096-R12, Conditions 1, 11, and 14.
8. If, due to reasons beyond the control of the Petitioner, successful repairs are not completed during this Variance period, additional relief will be sought.
9. The Petitioner will monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance. Excess emissions associated with this Variance are unknown at this time.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for failing to control produced gas at all times on the Production Well Morganti #04 until the repairs can be completed, which is in violation of District Rules 325.E.1, and 206, Permit to Operate 8096-R12, Conditions 1, 11, and 14, from February 28, 2024 through March 28, 2024, or the date compliance is achieved, whichever occurs first, with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District, to variance@sbcapcd.org, by April 11, 2024. The report shall include the date compliance was achieved, the cause of the leak, description of the corrective action taken, description of equipment brought onsite to fix the leak, daily monitoring records, and the dates, times, calculations, and actual excess emissions (lb/day) that occurred each day during the variance period.
2. Petitioner shall monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance.
3. Petitioner shall retain the obligation to comply with all other local, state, and federal regulations not specifically referenced in the Order, such as complying with District requirements for temporary equipment that is brought onsite to repair the leak (e.g. diesel-powered portable equipment).
4. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. In accordance with District Fees Rule 210, Schedule F.12.e, the Petitioner shall pay excess emission fees for each additional ton of pollutant emissions, or portion thereof, allowed as the result of the issuance of this Variance.
6. The Environmental Protection Agency does not recognize California's Variance Program; therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.
7. Each day during any portion of which a violation occurs is a separate offense.

DATED: 03/04/2024

Terence E. Dressler
Terence E. Dressler (Mar 5, 2024 08:33 PST)

Terence Dressler
Santa Barbara County Air Pollution Control District
Hearing Board